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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH**

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|---|---|----------------------------------|
| In re: | : | Bankruptcy No. 09-29905 |
| | : | |
| EASY STREET HOLDING, LLC et al.,¹ | : | (Jointly Administered with Cases |
| | : | 09-29907 and 09-29908) |
| Debtors. | : | |
| | : | Chapter 11 |
| | : | |
| | : | Honorable R. Kimball Mosier |
| | : | |

**LIMITED OBJECTION OF THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS TO SECOND APPLICATION OF WRONA LAW FIRM, P.C. FOR
INTERIM COMPENSATION AND REIMBURSEMENT PURSUANT TO 11 U.S.C. §§
330 AND 331 AS ATTORNEYS FOR THE DEBTOR IN POSSESSION FOR THE
PERIOD JANUARY 1, 2010 THROUGH APRIL 30, 2010**

The Official Committee of Unsecured Creditors (the “**Committee**”) for the above captioned debtors and debtors in possession (collectively the “**Debtors**”), by its counsel, Jones Waldo Holbrook & McDonough, PC, (“**Jones Waldo**”) hereby submits its limited objection to the Second Application of Wrona Law Firm, P.C. (“Wrona Law Firm”) for Interim Compensation and Reimbursement Pursuant to 11 U.S.C. §§ 330 and 331 as Attorneys for the Debtor in Possession for the Period January 1, 2010 Through April 30, 2010 (“Wrona Application”). In support of its objection, the Committee states as follows:

¹ The Debtor entities are Easy Street Holding, LLC, Easy Street Partners, LLC, and Easy Street Mezzanine, LLC.

1. Pursuant to its Application, Wrona Law Firm is seeking allowance and payment of interim compensation and reimbursement in the total amount of \$34,717.50 for fees and expenses incurred for the period January 1, 2010 through April 30, 2010.

2. As demonstrated in Gateway Center, LLC's ("Gateway") Objection to Wrona Law Firm's Sixth Fee Application (docket no. 512), at least since April 2010, Wrona Law Firm is representing both Cloud Nine Resorts, LLC and William Shoaf, both insiders of the Debtors, in certain state court litigation commenced by Gateway against Cloud Nine Resorts, LLC and Mr. Shoaf relating to a lease of real property which had been assigned to Debtor Partners. Although certain activities of Wrona Law Firm during March 2010 involve the state court litigation, it became clear in early April that Wrona Law Firm was representing personally insiders of the Debtors.

3. In the Declaration of Joseph E. Wrona Pursuant to Fed. R. Bankr. P. 2014(a) ("2014 Statement") submitted with the Debtors' Application to Employ Wrona Law Offices, P.C. as Special Counsel (docket no. 103), Mr. Wrona stated that "Wrona Law Offices does not currently represent any party in interest in any matter related to the Debtor. Although Wrona Law Offices may have represented a party in interest in other matters, as more fully set forth below, I believe none of these connections disqualify Wrona Law Offices from employment by the Debtors . . ."

4. Apparently, no later than some point in March or April 2010, Wrona Law Firm began representing Cloud Nine Resorts, LLC and Mr. Shoaf, as evidenced by time records revealing conversations between Wrona attorneys and counsel for Gateway, as well as a stipulation filed in the state court litigation in which Wrona Law Firm appears as counsel for Cloud Nine Resorts, LLC and Mr. Shoaf. It was incumbent on Wrona Law Offices at that time

to supplement its 2014 Statement to notify parties in interest that it had commenced representation of insiders and to permit parties in interest to object to the representation, if necessary. No further disclosure was made and, indeed, it appears no disclosure has been made to date.

5. A disallowance of fees is appropriate where there has been a failure to make necessary disclosures by professionals employed by the estate. In this instance, at a minimum, any fees and costs sought by Wrona Law Firm related to state court litigation, certainly from the time Wrona Law Firm appeared as counsel for Cloud Nine Resorts, LLC and Mr. Shoaf, should be disallowed. Although it appears that Wrona Law Firm's services to the Debtors relating to homeowner issues and financing issues have conferred a benefit on the estate, the failure to disclose representation of insiders warrants a partial disallowance of fees.

WHEREFORE, the Committee respectfully requests this Court to deny, in part, the Application, consistent with the foregoing.

DATED this 21st day of June, 2010.

**JONES WALDO HOLBROOK &
McDONOUGH, PC**

/s/ Lon A. Jenkins
Jeffery W. Shields
Lon A. Jenkins
Troy J. Aramburu

Counsel to Unsecured Creditors' Committee

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of June, 2010 I caused a true and correct copy of the foregoing *Limited Objection of the Official Committee of Unsecured Creditors to Second Application of Wrona Law Firm, P.C. for Interim Compensation and Reimbursement Pursuant to 11 U.S.C. §§ 330 and 331 as Attorneys for the Debtor in Possession for the Period January 1, 2010 through April 30, 2010* upon the following parties, via ECF Notification, email and first class U.S. mail, postage prepaid:

ECF Notification:

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/s/ Rebecca Huot
